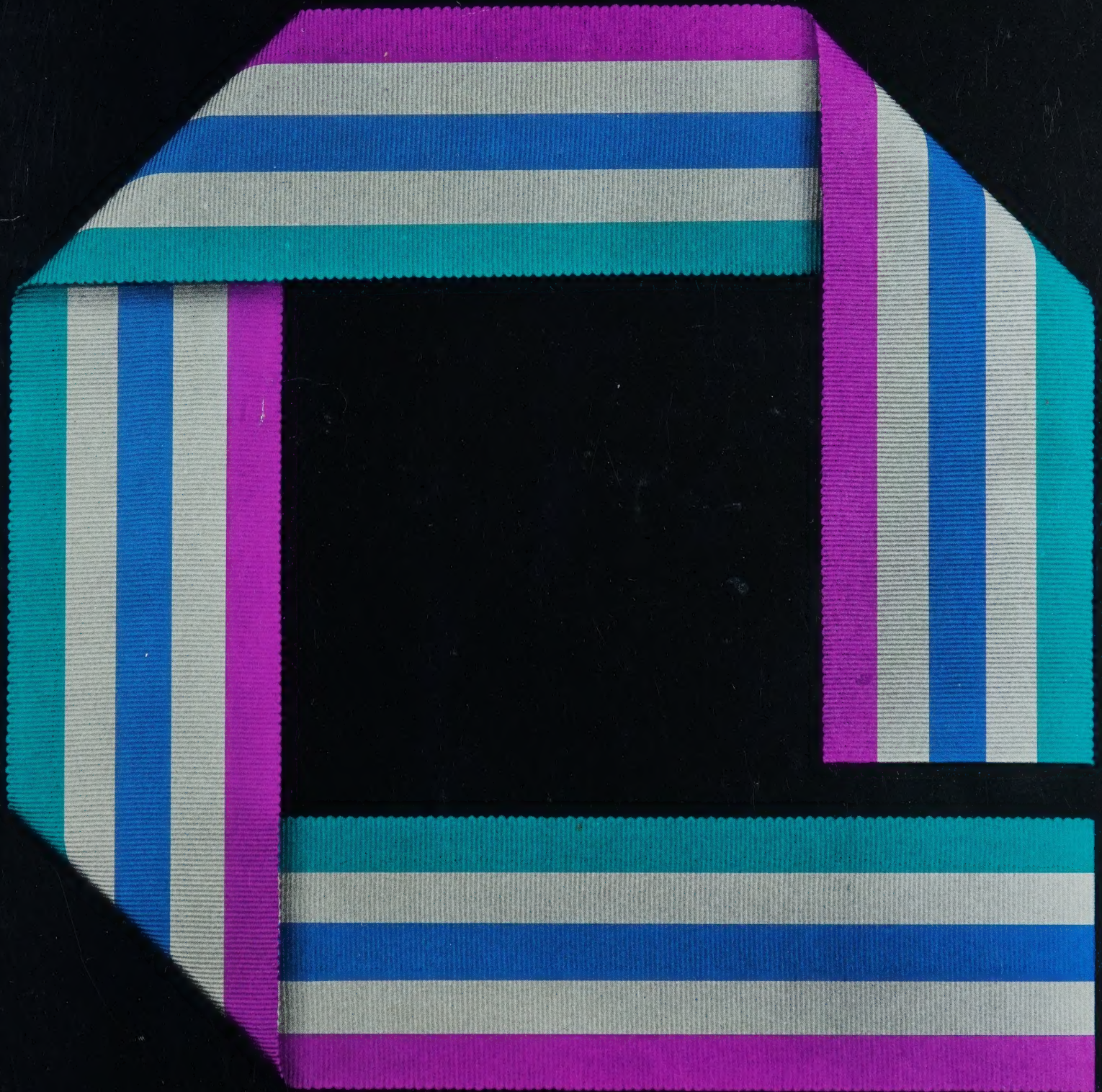



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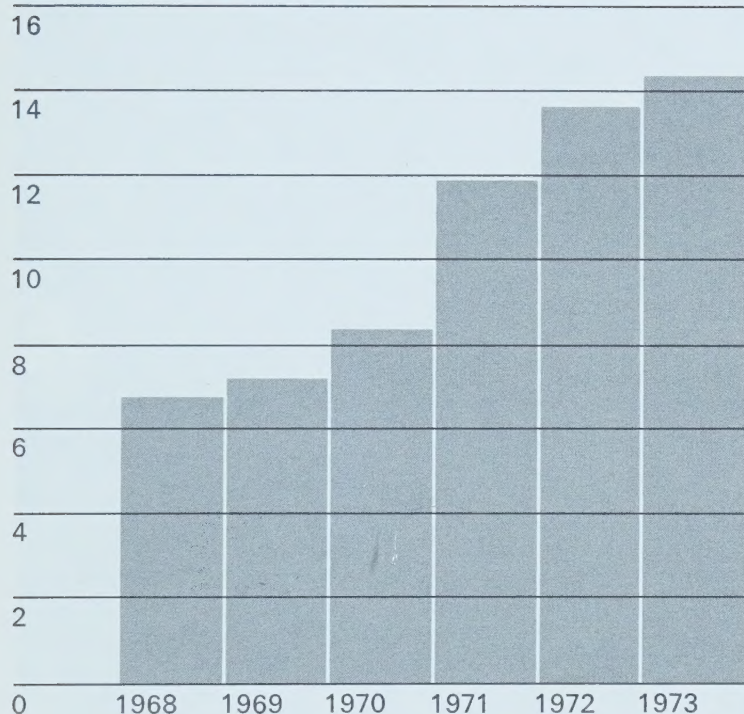


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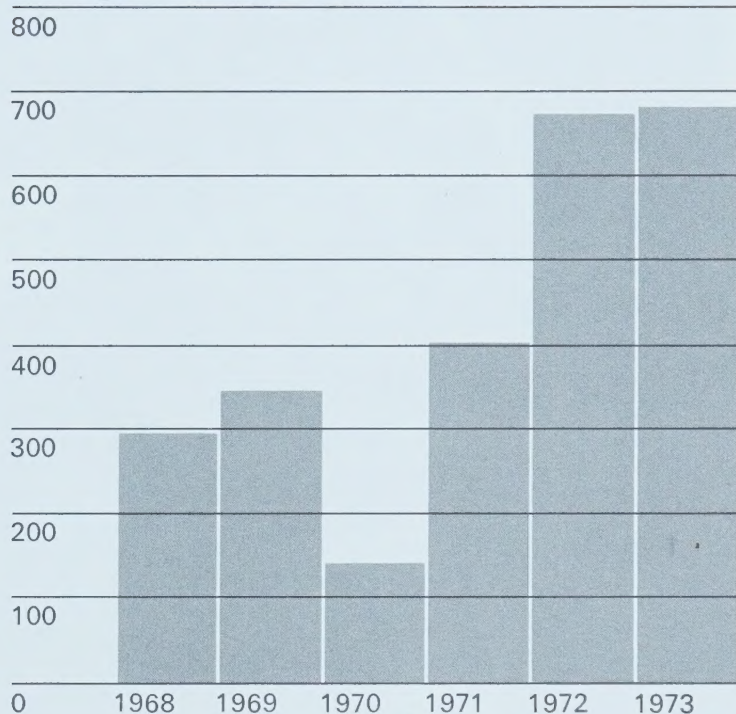
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Annual Report 1973

Sales in millions of dollars



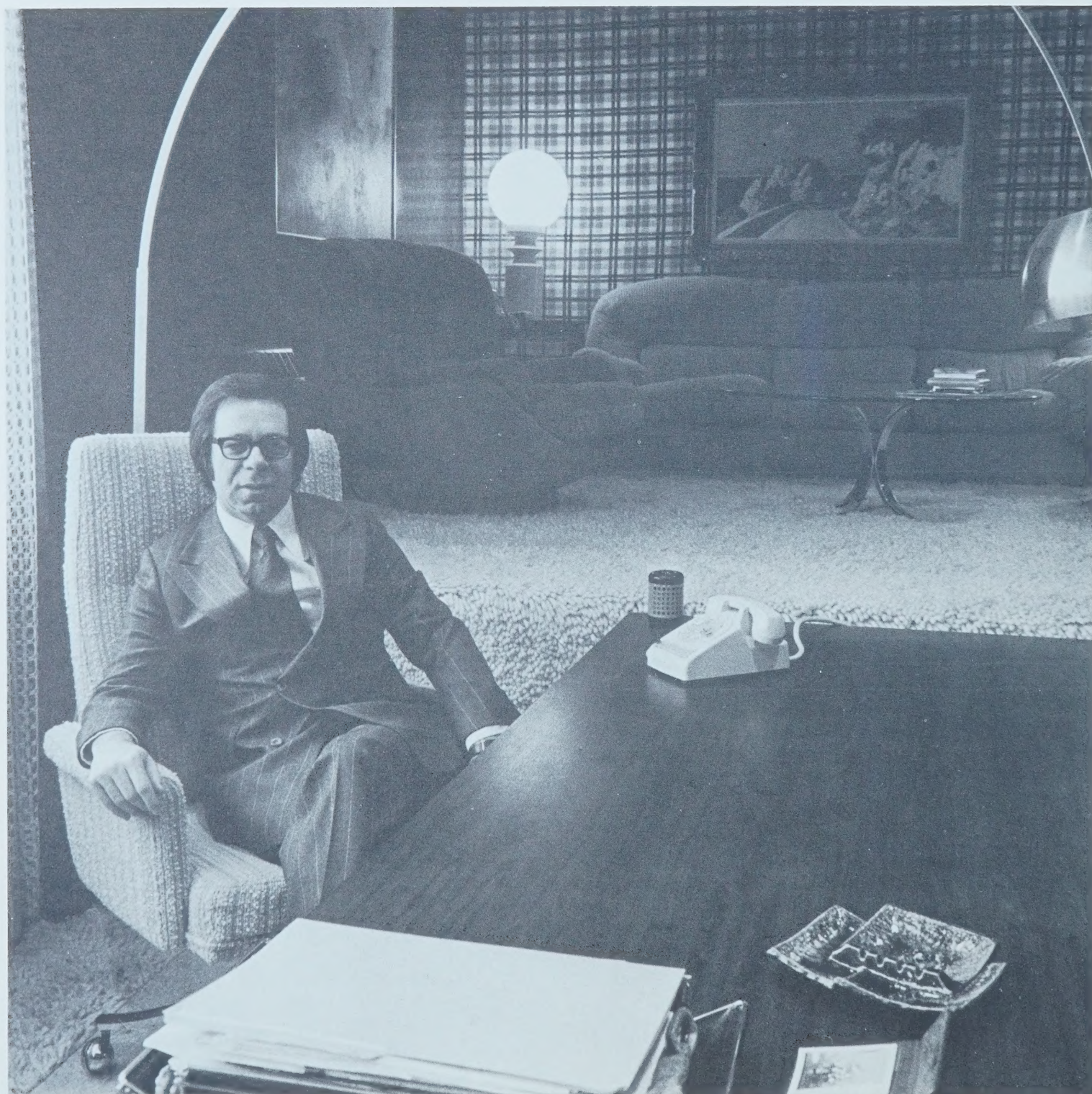
Earnings in thousands of dollars



Financial Highlights

	1973	1972
Sales	\$14,282,480	\$13,607,757
Earnings before income taxes, minority interest and extraordinary items	1,327,419	1,450,299
Income taxes	638,593	712,054
Minority interest in earnings of subsidiaries	18,866	37,192
Extraordinary income (expense)	7,751	(25,778)
Net earnings	677,711	675,275
Working capital	3,374,913	1,592,225
Total assets	12,228,031	7,148,218
Shareholders' equity	5,235,081	2,813,251
Average shares outstanding	810,685	652,500
Earnings per share	\$0.84	\$1.03

Mr. Donald Walker, Chairman of the Board of Directors.



To Our Shareholders,

We are pleased to report that our sales in the fiscal year ended October 31, 1973 totalled \$14,282,480 a gain of 5% over the previous year. Net earnings for the year totalled \$677,711 compared with \$675,275 for the previous year. On a much larger number of shares, earnings per share in 1973 totalled 84¢ compared with \$1.03 per share for 1972.

This past year proved to be the most eventful in our company's history. During the year we moved our outerwear and knitwear operation to a new modern plant in Berthierville, Quebec, completed our first public offering of company stock, consolidated our head office, showrooms, cutting operation and warehouse in larger premises in Montreal and started up four new subsidiaries.

The Berthierville facility of approximately 50,000 square feet, contains the company's outerwear and knitwear manufacturing operations. The cost has been financed by first mortgage loans and by a development incentive grant received under the Regional Development Incentives Act.

On March 20, 1973, pursuant to an underwriting agreement, the company and its shareholders sold 400,000 shares to the public. The net proceeds of \$1,530,000 received from the company's sale of 200,000 shares in this offering strengthened the financial condition of our company and laid the financial groundwork for some of our expansion plans, the benefit from which should have most of their impact on our operations in fiscal 1974.

The relocation of our company's head office to approximately 125,000 square feet in a new building has greatly improved the co-ordination and efficiency of our selling, cutting, warehousing, shipping and administrative activities. It also made possible the integration of our four new ventures into our head office operations.

Our decision to expand the company's business has resulted in four new ventures. The new subsidiaries manufacture junior ladies sportswear, girls and teens blouses, children's wear and men's shirts and ladies blouses. The first three represent entirely new operations while the fourth was acquired through the purchase of the merchandise inventory and machinery and equipment of an insolvent company.

To carry on the operations of our existing and new businesses, we plan to acquire a 130,000 square foot factory building. This facility will be improved to suit our particular needs and will enable the company to further consolidate some of its

manufacturing operations and also provide room for future expansion.

During the past year we have operated under the pressures of higher raw material costs and increasing costs of supplies and services. During the current year we expect this trend to continue and in addition we must be prepared to cope with the periodic shortages of supplies resulting from the energy crisis. Nevertheless we conceive of a growing market potential for the products of our industry and therefore intend to move the company forward by encouraging the internal growth of our subsidiaries, while continuing our evaluation of acquisition candidates and new ventures in above average growth areas.

We fully recognize that the success of our company is dependent on our loyal and competent employees and we are grateful to them for their contribution and to our customers and suppliers for their continuing support. At this time, we anticipate that at the close of the next fiscal year we will be able to report to you improved results in both sales and earnings.

Sincerely,



Donald Walker
Chairman of the Board

March 18, 1974

Directors :

Harvey Finkelstein
Hyman Hass
Donald Walker
Ronald Wexelman

Executive Officers :

Donald Walker, Chairman of the Board
Ronald Wexelman, President
Hyman Hass, Senior Vice President
Harvey Finkelstein, Senior Vice President
Israel Jankielewitz, Vice President
Robert Hirschel, C.A., Vice President, Finance
John Eric Michelin, Secretary

Executive and Head Office :

9600 Meilleur Street, Montreal, Quebec

Auditors:

Zittler, Siblin, Stein, Levine & Co.,
Chartered Accountants

Counsel :

Orenstein, Ruby, Michelin & Orenstein

Bankers :

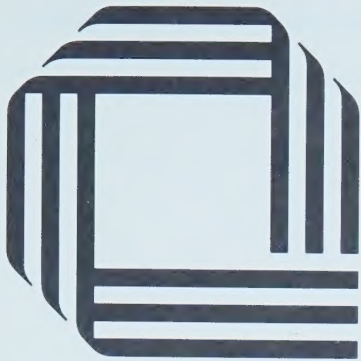
The Toronto-Dominion Bank
Société Financière pour le Commerce et l'Industrie S.F.C.I. Ltée

Transfer Agent and Registrar :

Canada Permanent Trust Company
Montreal, Toronto, Winnipeg, Calgary and Vancouver

Stock Exchange Listings :

Montreal Stock Exchange
Toronto Stock Exchange

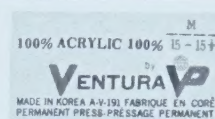


Queenswear (Canada) Ltd.

Dana Originals Inc.



Value Plus Imports Ltd.



Haradon Fashions Ltd.



Brywal Manufacturing Ltd.



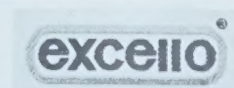
Bobby Dazzler Manufacturing Ltd.



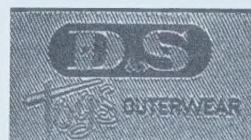
First Venture Children's Wear Ltd.



Val-Royal Sportswear Mfg. Ltd.



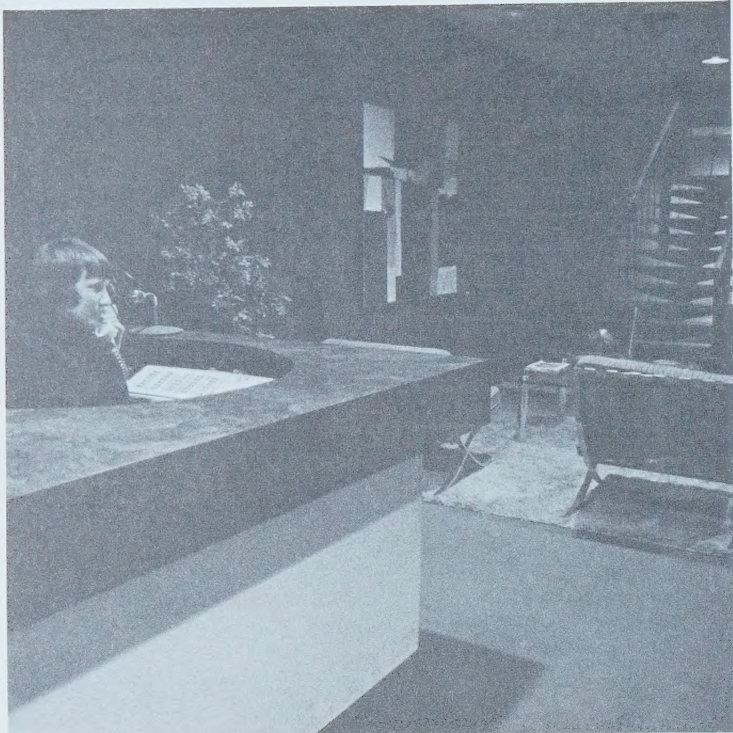
D. & S. Togs Ltd.



Martinique Sportswear Inc.



Reception area at Company's Executive and Head Office.



Marker making by photo process.



Cutting of a style for a sportswear division.

Children's garments ready for shipment.



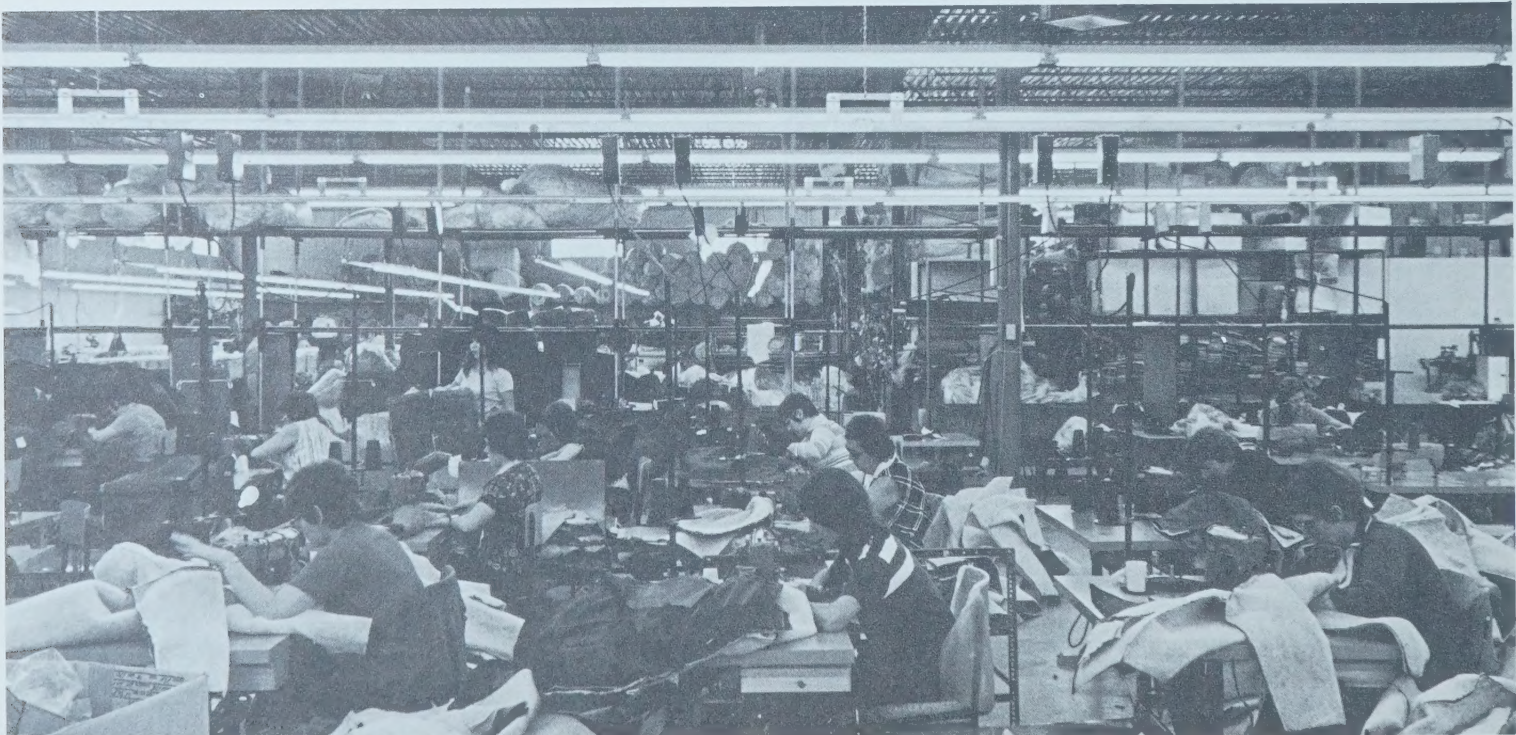
One of many racks of piece goods in central storage facility.

Men's suits and jackets.



Spreading and cutting of outerwear material.

Sewing section of outerwear plant.



Storage of finished outerwear garments.



Knitting plant in Berthierville.

Circular knitting machines.



Sewing on one of many brand labels.

Folding of shirts and preparation for packaging.

Examination of finished shirts.

Storage of finished shirts in Cap-de-la-Madeleine.



Modelling of a selection of samples.

Ladies' sportswear showroom.





**Queenswear (Canada) Ltd.
and Subsidiaries**

**Consolidated Statement of Earnings
For the Years Ended October 31, 1973 and 1972**

	1973	1972
Sales	\$14,282,480	\$13,607,757
Costs and Expenses		
Cost of sales and operating expenses	12,579,998	12,072,831
Interest on long-term debt	23,186	—
Other interest	219,858	205,946
Depreciation and amortization	132,019	29,441
	12,955,061	12,308,218
Proceeds of business interruption insurance	—	150,760
Earnings Before Income Taxes, Minority Interest and Extraordinary Items	1,327,419	1,450,299
Provision for income taxes	638,593	712,054
Earnings Before Minority Interest and Extraordinary Items	688,826	738,245
Minority interest in earnings of subsidiaries	18,866	37,192
Earnings Before Extraordinary Items	669,960	701,053
Extraordinary items (Note 9)	7,751	(25,778)
Net Earnings	\$ 677,711	\$ 675,275
Earnings per Share (Note 10)		
Earnings before extraordinary items	\$0.83	\$1.07
Net earnings	\$0.84	\$1.03

**Queenswear (Canada) Ltd.
and Subsidiaries**

**Consolidated Statement of Retained Earnings
For the Years Ended October 31, 1973 and 1972**

	1973	1972
Balance – Beginning of Year	\$ 638,251	\$ 612,976
Net earnings	677,711	675,275
	1,315,962	1,288,251
Adjustment of prior years' taxes	4,303	—
Expenses of public issue (net of income taxes)	37,486	—
Tax paid on 1971 undistributed income	—	97,500
Dividends paid from tax-paid undistributed surplus	—	552,500
	41,789	650,000
Balance – End of Year	\$1,274,173	\$ 638,251

Queenswear (Canada) Ltd.
and Subsidiaries

Consolidated Balance Sheet
as at October 31, 1973 and 1972

Assets	1973	1972
Current		
Cash	\$ 4,117	\$ 51,390
Accounts receivable	3,978,654	3,021,824
Inventories (Note 2)	5,903,741	2,376,997
Prepaid expenses	69,692	63,006
	9,956,204	5,513,217
Investment at Cost	12,358	10,200
Property, Plant and Equipment (Note 3)	989,876	552,512
Excess of Cost Over Book Value of Certain Subsidiaries at Dates of Acquisition	1,269,593	1,072,289
Total Assets	\$12,228,031	\$7,148,218

Liabilities	1973	1972
Current		
Bank indebtedness (Note 4)	\$ 4,215,336	\$ 2,012,511
Accounts payable and accrued liabilities	1,912,953	1,218,720
Income taxes payable	442,872	686,310
Long-term debt due within one year	10,130	3,451
	6,581,291	3,920,992
Long-Term Debt (Note 5)	321,277	301,049
Deferred Income Taxes	71,216	31,599
Minority Interest in Subsidiaries	19,166	81,327
Shareholders' Equity		
Capital stock (Note 6)	3,960,908	2,175,000
Retained earnings	1,274,173	638,251
Total Shareholders' Equity	5,235,081	2,813,251
Total Liabilities and Shareholders' Equity	\$12,228,031	\$7,148,218

Approved on behalf of the board

Donald Walker, Director
Ronald Wexelman, Director

Queenswear (Canada) Ltd. and Subsidiaries

Consolidated Statement of Source and Application of Funds For the Years Ended October 31, 1973 and 1972

	1973	1972
Source of Funds		
Net earnings	\$ 677,711	\$ 675,275
Depreciation and amortization	132,019	29,441
Deferred income taxes	39,617	31,599
Minority interest in earnings of subsidiaries	18,866	37,192
Loss on sale of investment	—	46,254
Funds provided from operations	868,213	819,761
Sale of investment	—	126,506
Proceeds of government grant	192,242	—
Increase in long-term debt	25,740	304,500
Issue of shares	1,530,000	—
Sundry	300	5,999
	2,616,495	1,256,766
Application of Funds		
Investment	12,358	—
Acquisition of minority interest in a subsidiary	—	59,275
Additions to fixed assets – net	761,625	455,242
Long-term debt retirement	5,512	18,451
Tax paid on 1971 undistributed income	—	97,500
Dividends paid from tax-paid undistributed surplus	—	552,500
Expenses of public issue	37,486	—
Sundry	16,826	—
	833,807	1,182,968
Increase in Working Capital	1,782,688	73,798
Working Capital – Beginning of Year	1,592,225	1,518,427
Working Capital – End of Year	\$3,374,913	\$1,592,225

Auditors' Report to the Shareholders of Queenswear (Canada) Ltd.

We have examined the consolidated balance sheet of Queenswear (Canada) Ltd. and subsidiaries as at October 31, 1973 and the consolidated statements of retained earnings, earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at October 31, 1973 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Zittler, Siblin, Stein, Levine & Co.
Chartered Accountants

Westmount, Quebec, March 14, 1974

Queenswear (Canada) Ltd. and Subsidiaries

Notes to Consolidated Financial Statements As at October 31, 1973

1. Principles of Consolidation

The consolidated financial statements include the accounts of all subsidiaries.

2. Inventories

Inventories are valued at the lower of cost or net realizable value and comprise the following :

	1973	1972
Finished goods	\$3,416,964	\$1,472,065
Work in process	343,537	173,490
Raw materials	2,143,240	731,442
	\$5,903,741	\$2,376,997

3. Property, Plant and Equipment

	1973		1972	
	Cost	Accumulated Depreciation and Amortization	Net	Net
Land	\$ 20,982	—	\$ 20,982	\$ 20,000
Buildings	302,016	\$ 44,156	257,860	331,728
Machinery, equipment and leasehold improvements	1,074,030	384,916	689,114	165,208
Automobiles and trucks	60,355	38,435	21,920	35,576
	\$1,457,383	\$467,507	\$989,876	\$552,512

A grant of \$192,242 received from the Department of Regional Economic Expansion has been deducted from the cost of certain fixed assets.

4. Security to Bank

The bank indebtedness is secured by registered general assignments of book debts and by pledges of certain inventories. As at October 31, 1973 the value of the inventories so pledged amounted to approximately \$3,900,000.

5. Long-Term Debt

10% First mortgage payable in monthly instalments of \$2,898, principal and interest	\$301,530
6% First mortgage payable in monthly instalments of \$600, principal and interest	29,877
	331,407
Due within one year	10,130
	\$321,277

Capital repayments on these mortgages will amount to approximately \$11,000 in 1975, \$12,000 in 1976, \$13,000 in 1977 and \$285,000 in 1978.

The mortgages are secured by land and buildings having a carrying value of approximately \$278,000 as at October 31, 1973.

6. Capital Stock

- a. Authorized :
1,500,000 common shares without nominal or par value
Issued and fully paid :
886,850 Common shares (1972-652,500 after giving retroactive effect to the subdivision described in Note 6b).
- b. On February 21, 1973, the Company was granted supplementary letters patent subdividing the then issued 435,000 common shares into 652,500 issued common shares.
- c. Effective November 1, 1972, the Company issued 34,350 common shares at a recorded value of \$255,908 in consideration for the 20% minority interest in one of its subsidiaries.
- d. On March 20, 1973, pursuant to an underwriting agreement, the Company issued 200,000 common shares for a cash consideration of \$1,530,000.
- e. During the year the Company established a stock option plan for officers and employees and reserved 35,000 common shares for the exercise of stock options to be granted thereunder.
- f. During the year the Company granted an option for 30,000 common shares to an officer of the Company. This option is exercisable at a price of \$3.15 per share and expires on September 4, 1976.

7. Lease Obligations

The annual rentals under long-term leases expiring April 30, 1983 amount to \$215,996, exclusive of tax and operating escalation charges.

8. Contingent Liabilities

As the result of an automobile accident which occurred in 1970, one of the Company's subsidiaries has been named as a co-defendant in lawsuits involving claims totalling \$674,409. The Company has been advised by the insurer of a co-defendant that it will defend these lawsuits to the exoneration of the subsidiary and, accordingly, no provision has been made for these claims in the accounts. On March 13, 1974 a judgement was rendered awarding the plaintiffs a total of \$48,568. The delays for appeal have not yet expired.

9. Extraordinary Items

1973 Income tax reduction arising from the application of a subsidiary's prior period loss	\$ 7,751
1972 Loss on sale of a wholly owned subsidiary	\$ (46,254)
Gain on sale of marketable securities	20,476
	\$ (25,778)

10. Earnings per Share

Earnings per share are based on the weighted average number of shares outstanding during the year.

11. Remuneration of Directors and Officers

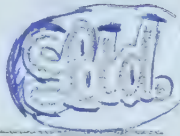
	1973	1972
Number of directors	5	5
Aggregate remuneration as directors	\$ 1,500	Nil
Number of officers	8	5
Aggregate remuneration as officers	\$208,759	\$202,530
Number of officers who are also directors	4	4

12. Subsequent Event

On January 17, 1974, a lawsuit was instituted in the State of New York in which the Company, one of its subsidiaries and two of its directors were named as co-defendants together with three unrelated foreign companies. The lawsuit relates to an alleged breach of agreement and claims damages totalling \$103,285 plus punitive damages of \$200,000. The lawsuit is being contested and based on the information available to them, it is the opinion of Company counsel that the lawsuit is without merit insofar as it relates to the Company, its subsidiary, and its directors.

AR36

Queenswest (Canada) Ltd.



384-0161

Robert Hirschel

Letter Report for the Six Months Ended April 30, 1973

To the Shareholders

We are pleased to report the results of the company's operations for the six months ended April 30, 1973. Sales were \$4,512,840, an increase of \$234,015 over the same period last year. Earnings before income taxes, minority interest and extraordinary items increased to \$733,476 from \$671,483. Net earnings for the six months were \$342,086, approximately 11% above the \$308,340 earned during the six months ended April 30, 1972. The latter figure however, included an extraordinary loss of \$25,771.

During the months of May and June 1973 the company completed moving its Montreal facilities to their new location and its Berthierville, Quebec manufacturing operations to a new plant. Management is confident that these moves should result in increased efficiency and greater productivity in the future.

The company has also recently organized a new company in which it has a 75% interest. This new company will manufacture and sell a line of ladies sportswear under the label of Ego Fashions, thus allowing the company to expand its coverage of the ladies sportswear market.

Donald Walker
Chairman of the Board

Montreal, Quebec

June 29, 1973



Queenswear (Canada) Ltd.

Interim Report
for the Six Months
ended April 30, 1974

Report to Shareholders,

We are pleased to report that our sales in the first half of our 1974 fiscal period set a new record high. Sales totalled \$9,560,149 a gain of 46% over \$6,518,840 for the comparable period in the previous year.

Unfortunately, our profit performance in this period did not follow the same trend as sales. Net earnings for the six months totalled \$191,925 down from \$342,086 in 1973. Earnings per share totalled 21.6¢ on 886,850 shares compared to 47¢ on 727,850 shares in the previous period.

Our return on sales during this period was hampered by the pressures of higher raw material costs and increased costs of operations. The effects of the previously reported cost-price squeeze have continued to depress the results of the latest quarter and it appears that improvements in our results will likely be gradual, but should gain strength in a more favourable market environment.

On Behalf of the Board
Donald Walker,
Chairman of the Board

June 28, 1974
Montreal, Quebec



Queenswear (Canada) Ltd.

**9600 Meilleur Street
Montreal, Canada
H2N 2E3**



Queenswear (Canada) Ltd.

and Subsidiaries

Consolidated Interim Statement of Earnings For the Six Months Ended April 30, 1974 and 1973

(Unaudited)

	1974	1973
Sales	\$9,560,149	\$6,518,840
Earnings on operations	426,625	703,476
Income Taxes		
Current	186,327	346,358
Deferred	13,769	13,532
	200,096	359,890
Earnings Before Minority Interest	226,529	343,586
Minority Interest in Earnings of Subsidiaries	34,604	1,500
Net Earnings	\$ 191,925	\$ 342,086
*Earnings per Share	21.6¢	47.0¢

*Based on the weighted average number of shares outstanding during the period.

Consolidated Interim Statement of Source and Application of Funds For the Six Months Ended April 30, 1974 and 1973

(Unaudited)

Source of Funds

Net earnings	\$ 191,925	\$ 342,086
Depreciation and amortization	83,925	27,275
Deferred income taxes	13,769	13,532
Minority interest in earnings of subsidiaries	34,604	1,500
Capital stock issued for cash	—	1,785,908
Proceeds of government grant	—	192,242
	324,223	2,362,543

Application of Funds

Public issue expense	—	72,841
Investment	348	14,706
Additions to fixed assets - net	105,939	279,527
Long-term debt retirement	5,938	3,304
Purchase of minority interest in subsidiary company	—	255,908
	112,225	626,286
Increase in Working Capital	211,998	1,736,257
Working Capital - Beginning of Period	3,374,913	1,577,974
Working Capital - End of Period	\$3,586,911	\$3,314,231

AR36



**Queenswear (Canada) Ltd.
Interim Report
for the Six Months
ended April 30, 1975**

Report to Shareholders,

For the six months ended April 30, 1975 our sales rose to \$12,767,738 from \$9,560,149 while net earnings decreased to \$147,678 or 17¢ per share from \$191,925 or 22¢ per share for the same period ended in 1974. Working capital as at April 30, 1975 amounted to \$3,948,842, up \$304,231 for the six months period.

The second quarter was adversely affected by two factors. One of the Company's subsidiaries experienced labor problems at its plant which resulted in its inability to deliver all of the merchandise it had on order for the spring season and substantially higher allowances for doubtful accounts were deemed advisable because of existing economic conditions. In addition, generally lower mark-ups resulted from the competitive sale of our products while costs of most of our products increased due to inflationary pressures in this country and abroad.

Under the circumstances, we shall continue to be active participants in the markets where we have established our place, however, we intend to pursue a cautious course until we note visible signs of a recovery and expanding economy.

On behalf of the Board
Donald Walker
Chairman of the Board

June 27, 1975
Montreal, Quebec



**Queenswear (Canada) Ltd.
9600 Meilleur Street
Montreal, Canada
H2N 2E3**



Queenswear (Canada) Ltd.

and Subsidiaries

Consolidated Interim Statement of Earnings For the Six Months Ended April 30, 1975 and 1974 (Unaudited)

	1975	1974
Sales	\$12,767,738	\$9,560,149
Earnings on operations	551,544	426,625
Income Taxes		
Current	253,710	186,327
Deferred	—	13,769
	253,710	200,096
Earnings before Minority Interest	297,834	226,529
Minority Interest in Earnings of Subsidiaries	150,156	34,604
Net Earnings	\$ 147,678	\$ 191,925
*Earnings per share	17¢	22¢

*Based on the weighted average number of shares outstanding during the period

Consolidated Interim Statement of Source and Application of Funds For the Six Months Ended April 30, 1975 and 1974 (Unaudited)

Source of Funds

Net Earnings	\$ 147,678	\$ 191,925
Depreciation and Amortization	76,346	83,925
Deferred Income Taxes	—	13,769
Minority Interest in earnings of subsidiaries	136,606	34,604
Increase in long-term debt	359,492	—
Adjustment of prior year's income tax	2,463	—
	722,585	324,223

Application of Funds

Additions to fixed assets - net	336,712	105,939
Long-term debt retirement	81,642	5,938
Investment	—	348
	418,354	112,225
Increase in Working Capital	304,231	211,998
Working Capital - Beginning of Period	3,644,611	3,374,913
Working Capital - End of Period	\$ 3,948,842	\$3,586,911